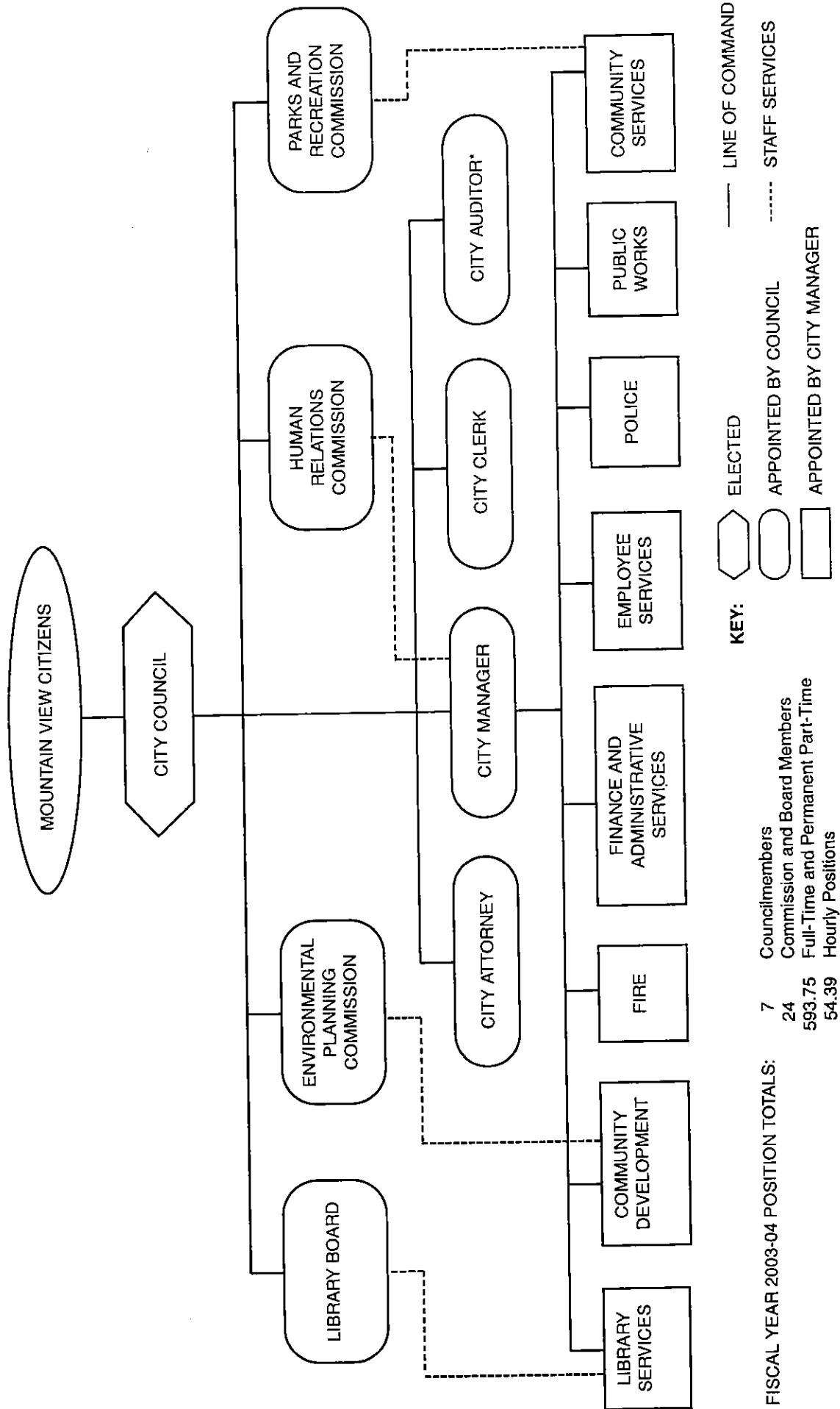
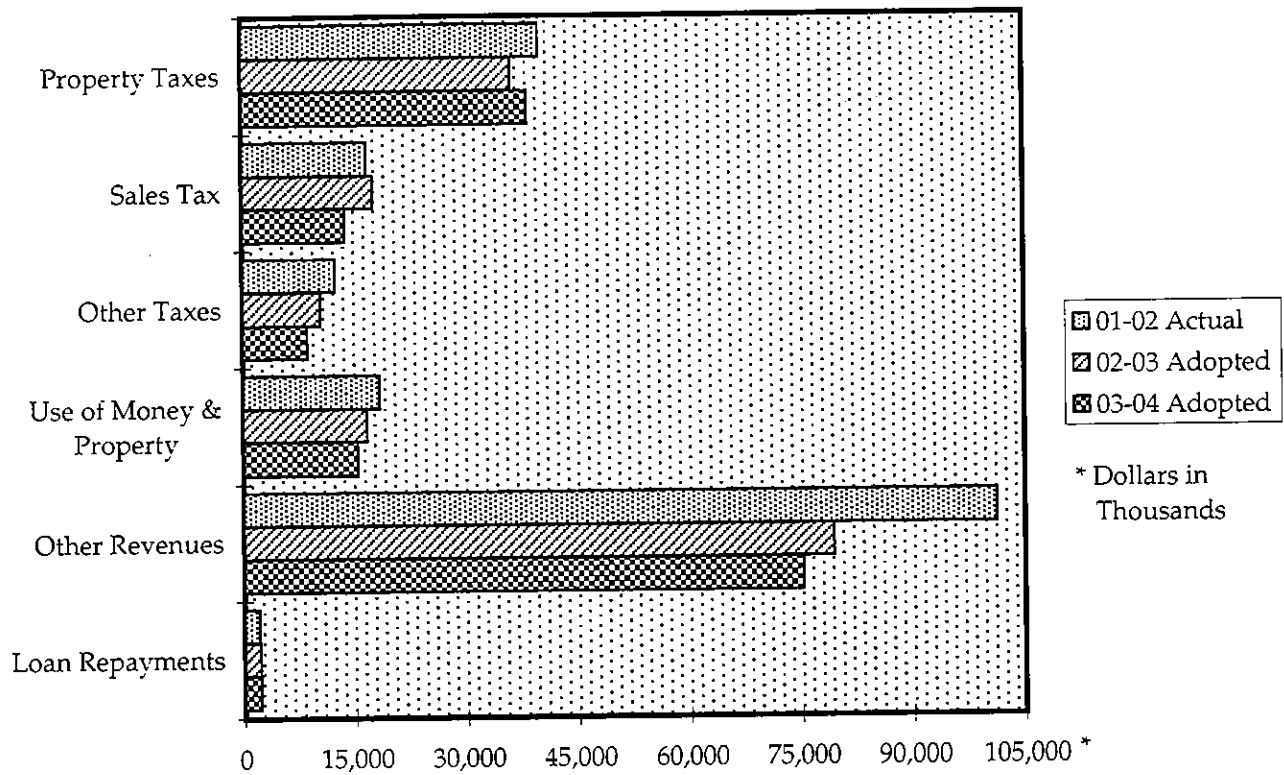


CITY GOVERNMENT ORGANIZATION



*Finance and Administrative Services Director serves as City Auditor

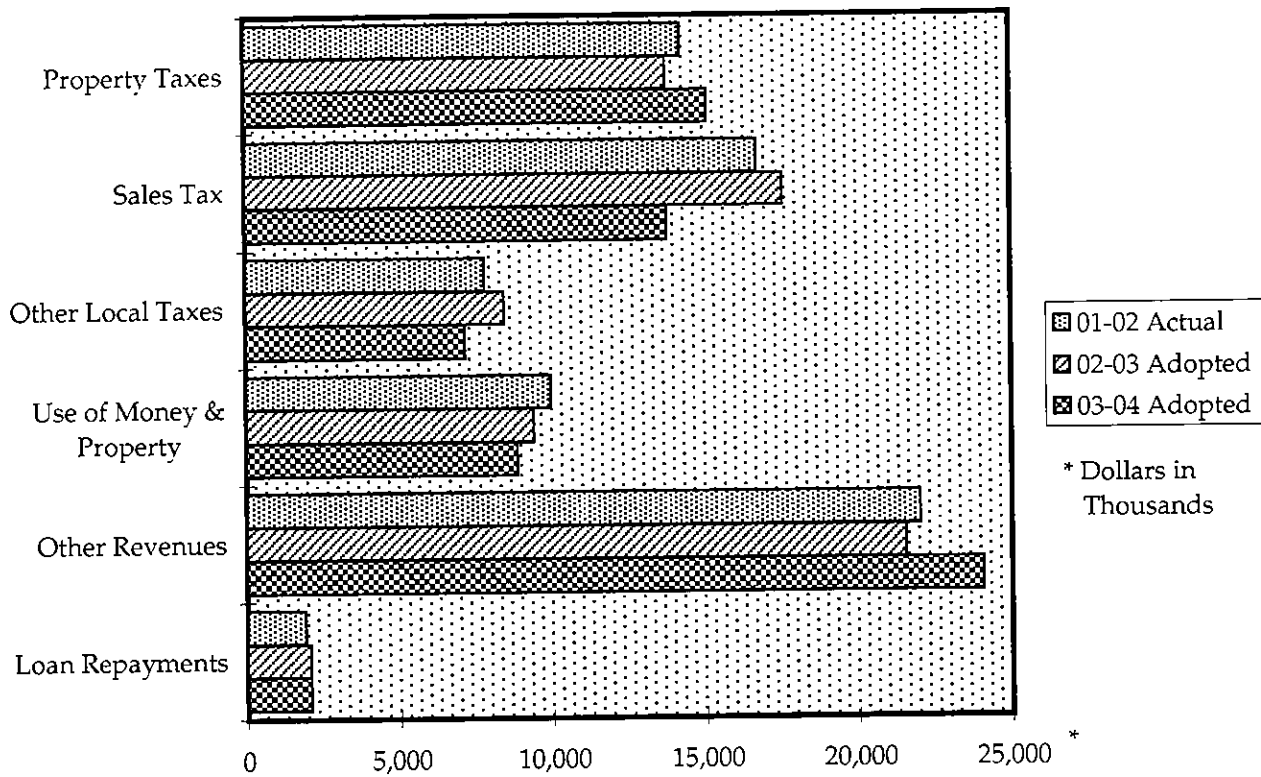
TOTAL FUND REVENUES



| Revenue Category | Actual 2001-02 | Adopted 2002-03 | Adopted 2003-04 | Percent Change ** |
|--------------------------------|-----------------------|--------------------|--------------------|----------------------|
| Property Taxes | \$ 39,941,913 | 36,136,948 | 38,363,152 | 6.2% |
| Sales Tax | 16,715,021 | 17,569,640 | 13,771,800 | (21.6%) |
| Other Local Taxes | 12,442,406 | 10,462,710 | 8,674,960 | (17.1%) |
| Use of Money and Property | 18,338,936 | 16,628,200 | 15,332,039 | (7.8%) |
| Other Revenues: | | | | |
| Licenses & Permits | 8,198,122 | 5,151,930 | 5,048,260 | (2.0%) |
| Fines & Forfeitures | 537,639 | 517,000 | 594,000 | 14.9% |
| Intergovernmental | 10,189,255 | 7,938,399 | 7,772,522 | (2.1%) |
| Charges for Current Services | 36,318,591 | 36,785,427 | 37,861,514 | 2.9% |
| Other Revenues | 4,887,021 | 1,408,580 | 1,530,140 | 8.6% |
| Interfund Revenues & Transfers | 41,064,419 | 27,516,930 | 22,409,883 | (18.6%) |
| Loan Repayments | 1,959,658 | 2,159,754 | 2,109,754 | (2.3%) |
| TOTAL | \$ 190,592,981 | 162,275,518 | 153,468,024 | (5.4%) |

** Percent Change From Prior Year Adopted to Current Year Adopted Budget.

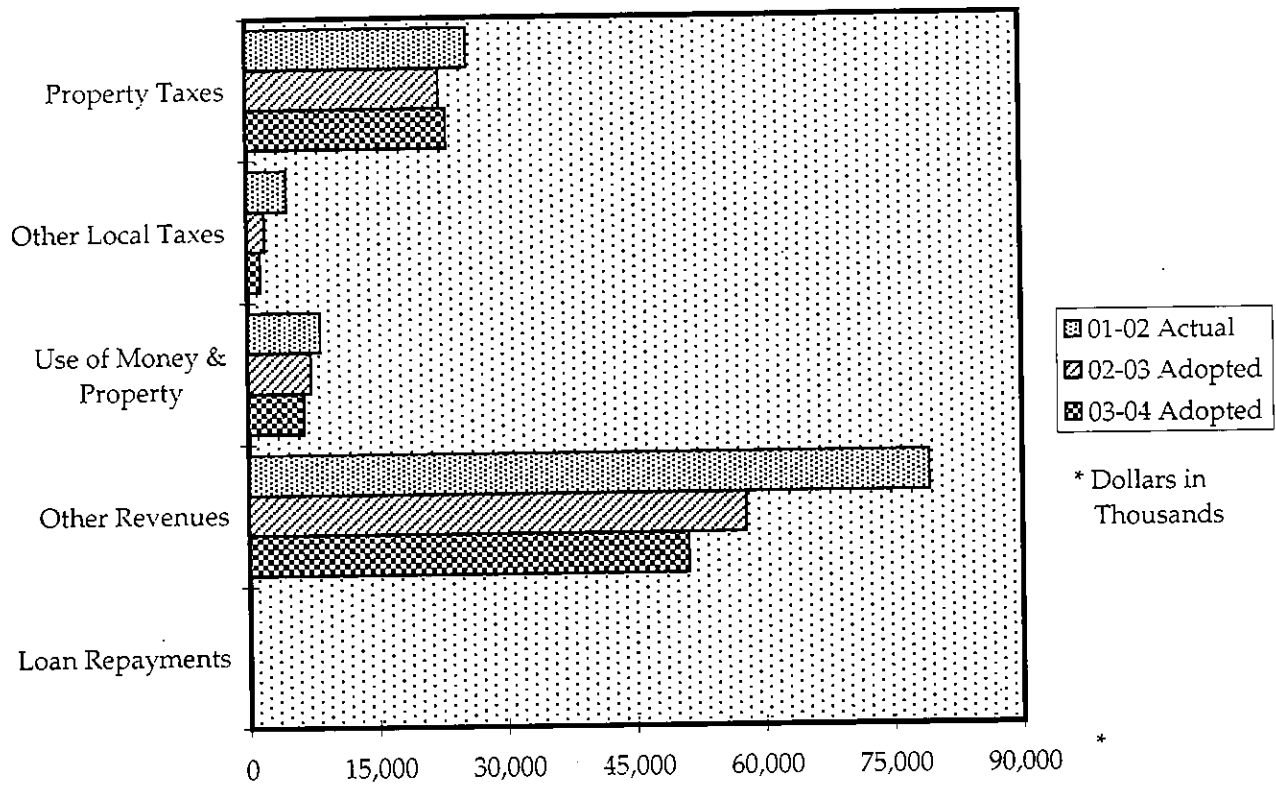
GENERAL OPERATING FUND REVENUES



| Revenue Category | Actual 2001-02 | Adopted 2002-03 | Adopted 2003-04 | Percent Change ** |
|--------------------------------|----------------------|--------------------|--------------------|----------------------|
| Property Taxes | \$ 14,261,679 | 13,752,380 | 15,111,020 | 9.9% |
| Sales tax | 16,715,021 | 17,569,640 | 13,771,800 | (21.6%) |
| Other Local Taxes | 7,805,660 | 8,427,710 | 7,166,960 | (15.0%) |
| Use of Money and Property | 9,959,208 | 9,384,330 | 8,850,500 | (5.7%) |
| Other Revenues: | | | | |
| Licenses, Permits & Fees | 4,727,860 | 4,190,650 | 4,231,990 | 1.0% |
| Fines & Forfeitures | 537,639 | 517,000 | 594,000 | 14.9% |
| Intergovernmental | 4,973,912 | 4,777,620 | 4,824,650 | 1.0% |
| Charges for Current Services | 2,292,981 | 1,995,160 | 2,044,660 | 2.5% |
| Other Revenues | 1,156,792 | 907,980 | 1,155,040 | 27.2% |
| Interfund Revenues & Transfers | 8,305,833 | 9,157,000 | 11,219,448 | 22.5% |
| Loan Repayments | 1,894,251 | 2,059,754 | 2,059,754 | 0.0% |
| TOTAL | \$ 72,630,836 | 72,739,224 | 71,029,822 | (2.4%) |

** Percent Change From Prior Year Adopted to Current Year Adopted Budget.

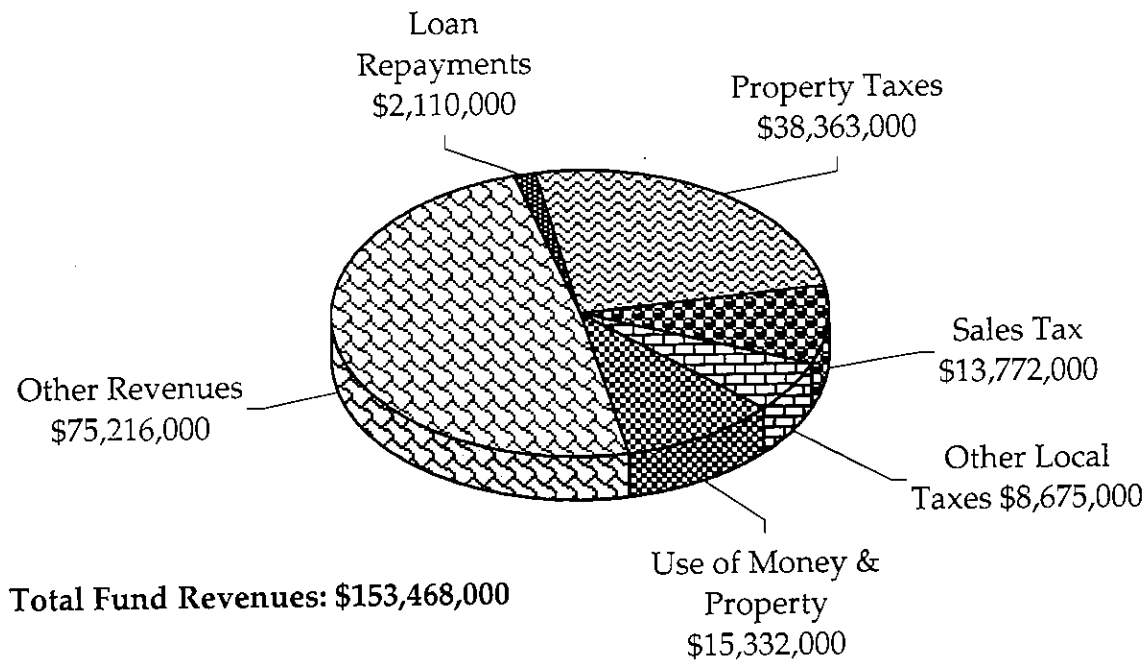
OTHER FUND REVENUES



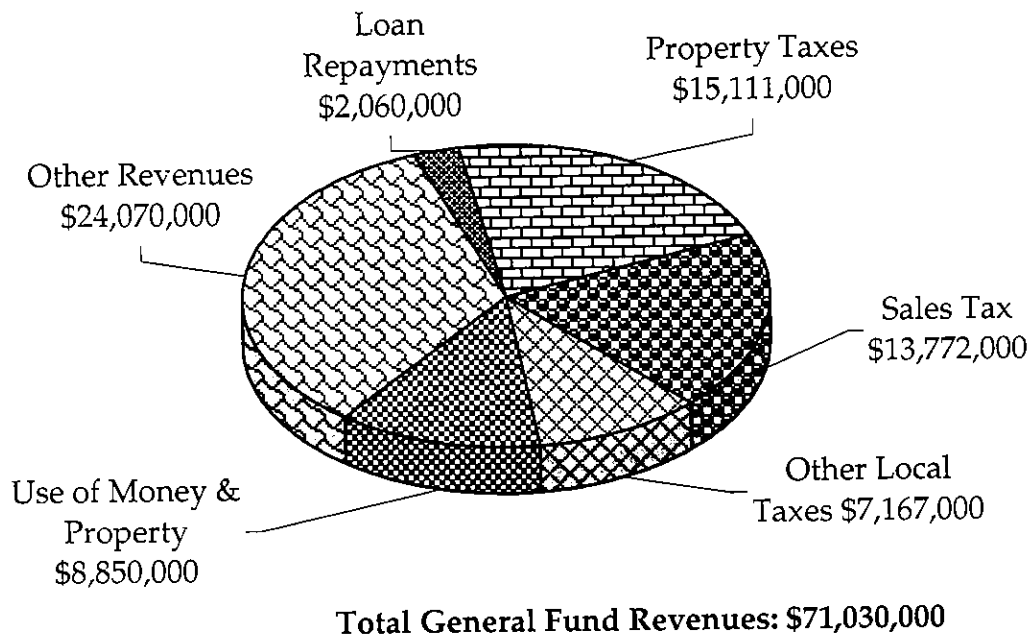
| Revenue Category | Actual 2001-02 | Adopted 2002-03 | Adopted 2003-04 | Percent Change ** |
|----------------------------------|-----------------------|--------------------|--------------------|----------------------|
| Property Taxes | \$ 25,680,234 | 22,384,568 | 23,252,132 | 3.9% |
| Other Local Taxes | 4,636,746 | 2,035,000 | 1,508,000 | (25.9%) |
| Use of Money & Property | 8,379,728 | 7,243,870 | 6,481,539 | (10.5%) |
| Other Revenues: | | | | |
| Licenses, Permits & Fees | 3,470,262 | 961,280 | 816,270 | (15.1%) |
| Intergovernmental | 5,215,343 | 3,160,779 | 2,947,872 | (6.7%) |
| Charges for Current Services | 34,025,610 | 34,790,267 | 35,816,854 | 3.0% |
| Other Revenues | 3,730,229 | 500,600 | 375,100 | (25.1%) |
| Interfund Revenues and Transfers | 32,758,586 | 18,359,930 | 11,190,435 | (39.0%) |
| Loan Repayments | 65,407 | 100,000 | 50,000 | (50.0%) |
| TOTAL | \$ 117,962,145 | 89,536,294 | 82,438,202 | (7.9%) |

** Percent Change From Prior Year Adopted to Current Year Adopted Budget.

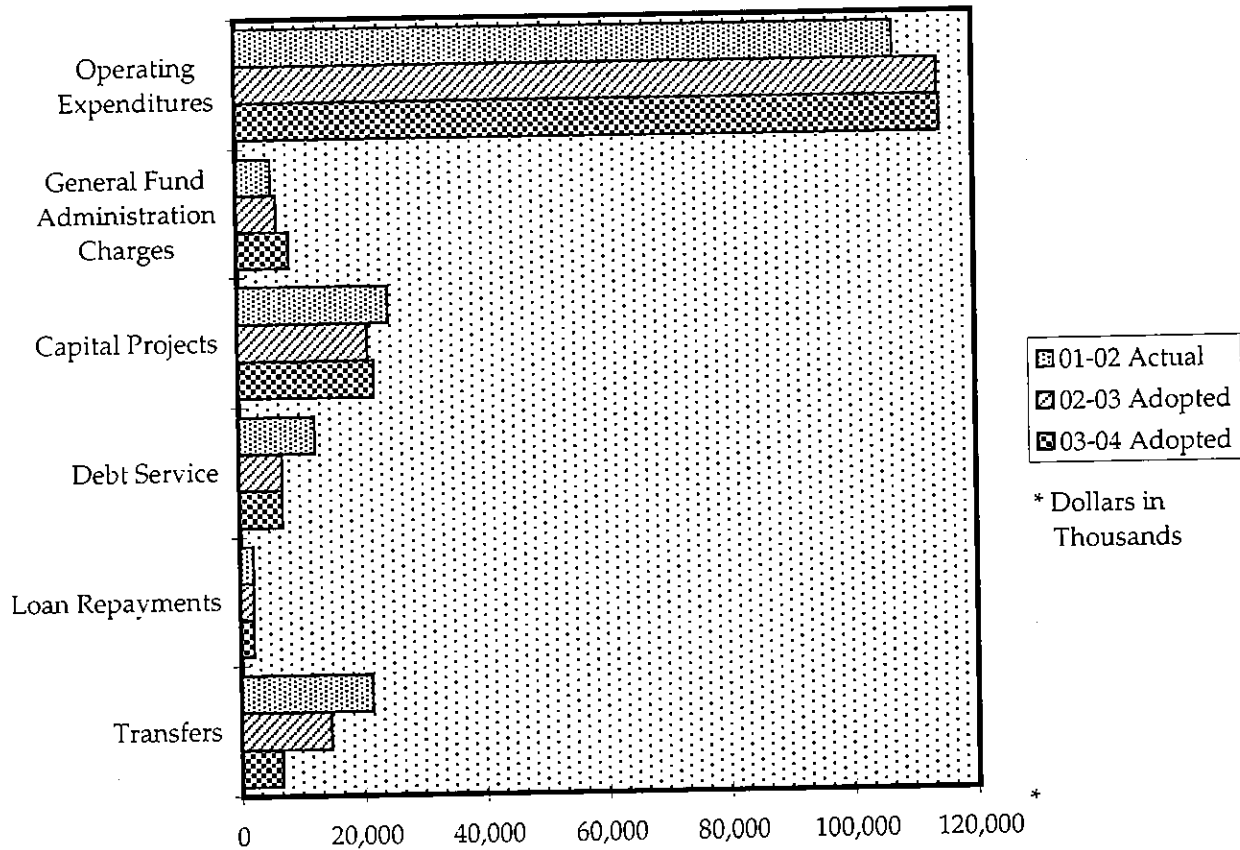
**TOTAL FUND REVENUES
FISCAL YEAR 2003-04**



**GENERAL OPERATING FUND REVENUES
FISCAL YEAR 2003-04**



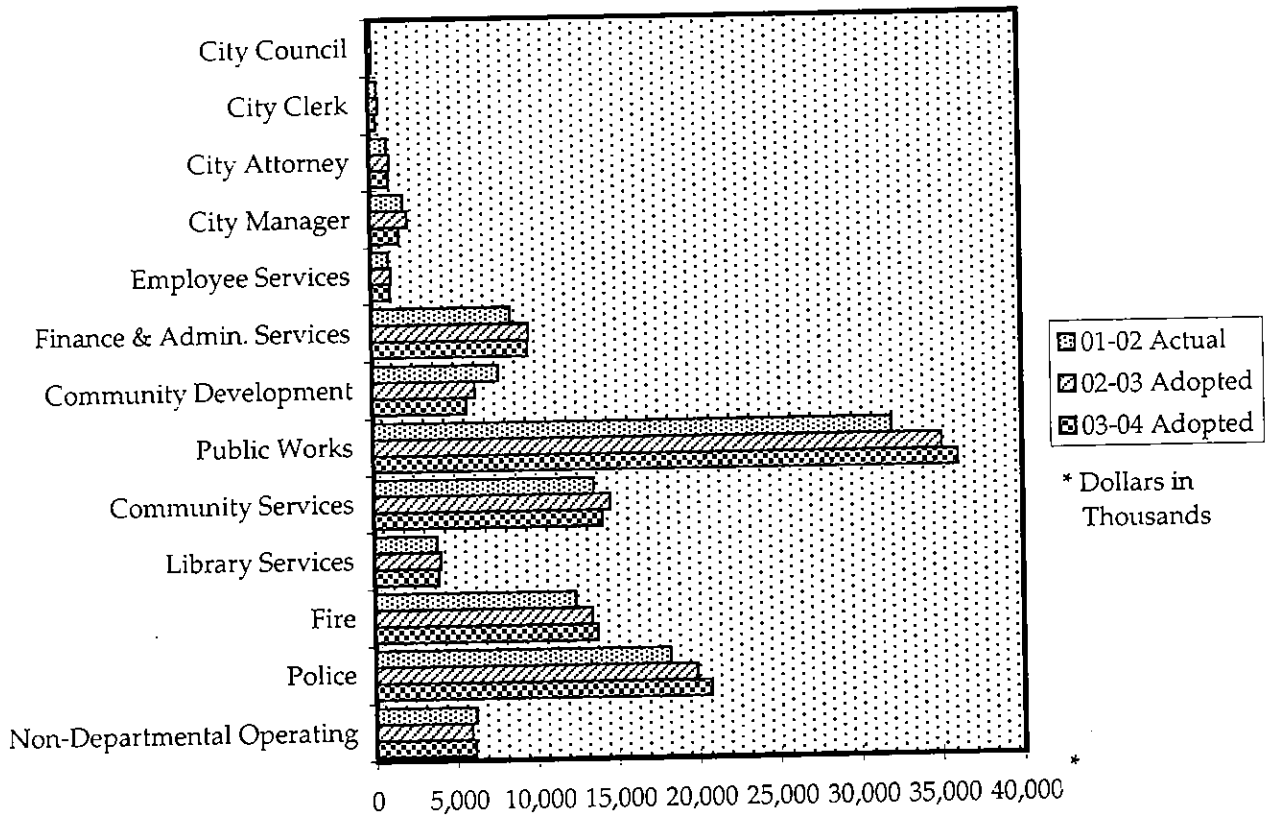
TOTAL FUND EXPENDITURES



| Expenditure Category | Actual 2001-02 | Adopted 2002-03 | Adopted 2003-04 | Percent Change ** |
|-------------------------------------|-----------------------|--------------------|--------------------|----------------------|
| Operating Expenditures | \$ 107,130,612 | 114,267,403 | 114,620,578 | 0.3% |
| General Fund Administration Charges | 5,571,270 | 6,403,310 | 8,430,753 | 31.7% |
| Capital Projects | 24,379,756 | 20,995,741 | 21,979,944 | 4.7% |
| Debt Service | 12,252,507 | 6,913,477 | 6,927,526 | 0.2% |
| Loan Repayments | 2,112,999 | 2,082,098 | 2,076,274 | (0.3%) |
| Transfers | 21,282,486 | 14,527,022 | 6,563,556 | (54.8%) |
| TOTAL | \$ 172,729,630 | 165,189,051 | 160,598,631 | (2.8%) |

** Percent Change From Prior Year Adopted to Current Year Adopted Budget.

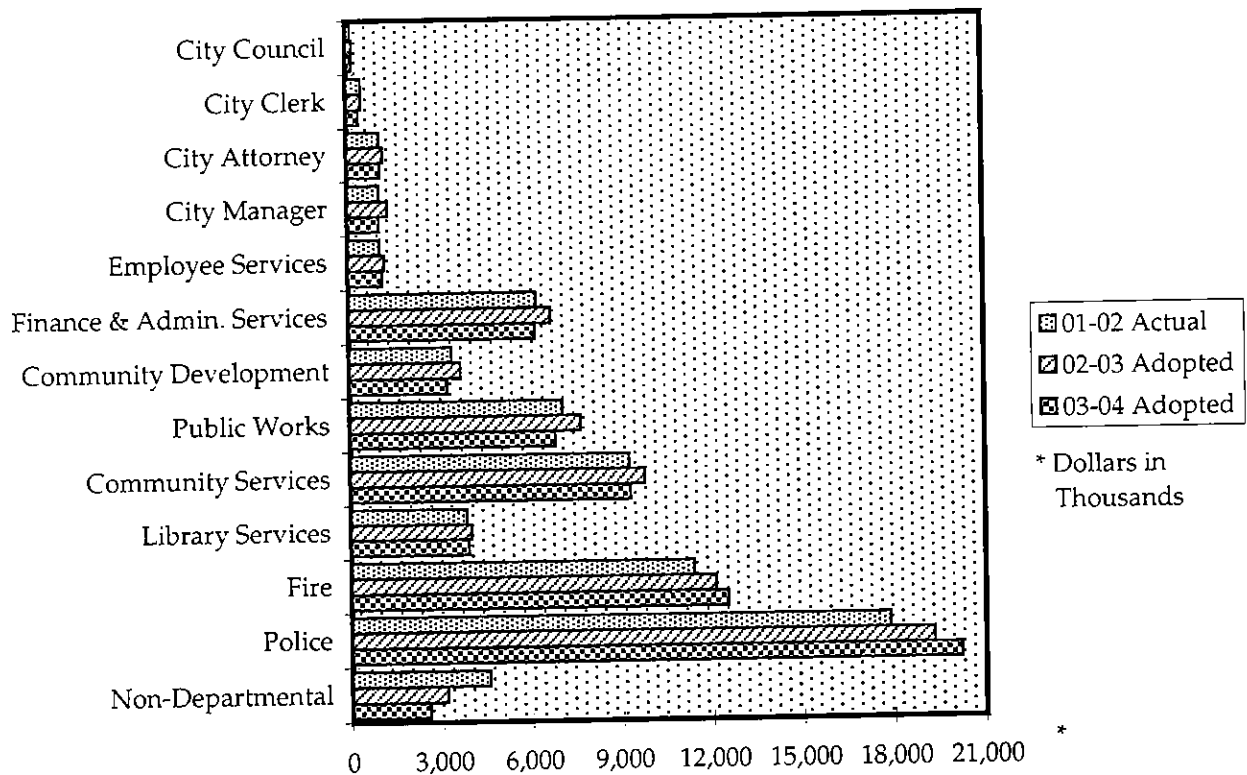
TOTAL OPERATING EXPENDITURES



| Department | Actual 2001-02 | Adopted 2002-03 | Adopted 2003-04 | Percent Change ** |
|----------------------------|-----------------------|--------------------|--------------------|----------------------|
| City Council | \$ 148,730 | 218,818 | 185,262 | (15.3%) |
| City Clerk | 474,168 | 543,915 | 391,306 | (28.1%) |
| City Attorney | 1,052,193 | 1,179,417 | 1,123,882 | (4.7%) |
| City Manager | 1,987,523 | 2,243,354 | 1,743,251 | (22.3%) |
| Employee Services | 1,061,016 | 1,228,554 | 1,163,672 | (5.3%) |
| Finance and Admin Svcs | 8,506,307 | 9,652,195 | 9,572,469 | (0.8%) |
| Community Development | 7,751,956 | 6,284,113 | 5,781,544 | (8.0%) |
| Public Works | 32,018,395 | 35,081,926 | 36,052,969 | 2.8% |
| Community Services | 13,558,884 | 14,590,766 | 14,073,065 | (3.5%) |
| Library Services | 3,842,247 | 4,086,038 | 3,945,954 | (3.4%) |
| Fire | 12,378,003 | 13,406,226 | 13,734,553 | 2.4% |
| Police | 18,200,423 | 19,878,309 | 20,758,095 | 4.4% |
| Non-Departmental Operating | 6,150,767 | 5,873,772 | 6,094,556 | 3.8% |
| TOTAL | \$ 107,130,612 | 114,267,403 | 114,620,578 | 0.3% |

** Percent Change From Prior Year Adopted to Current Year Adopted Budget.

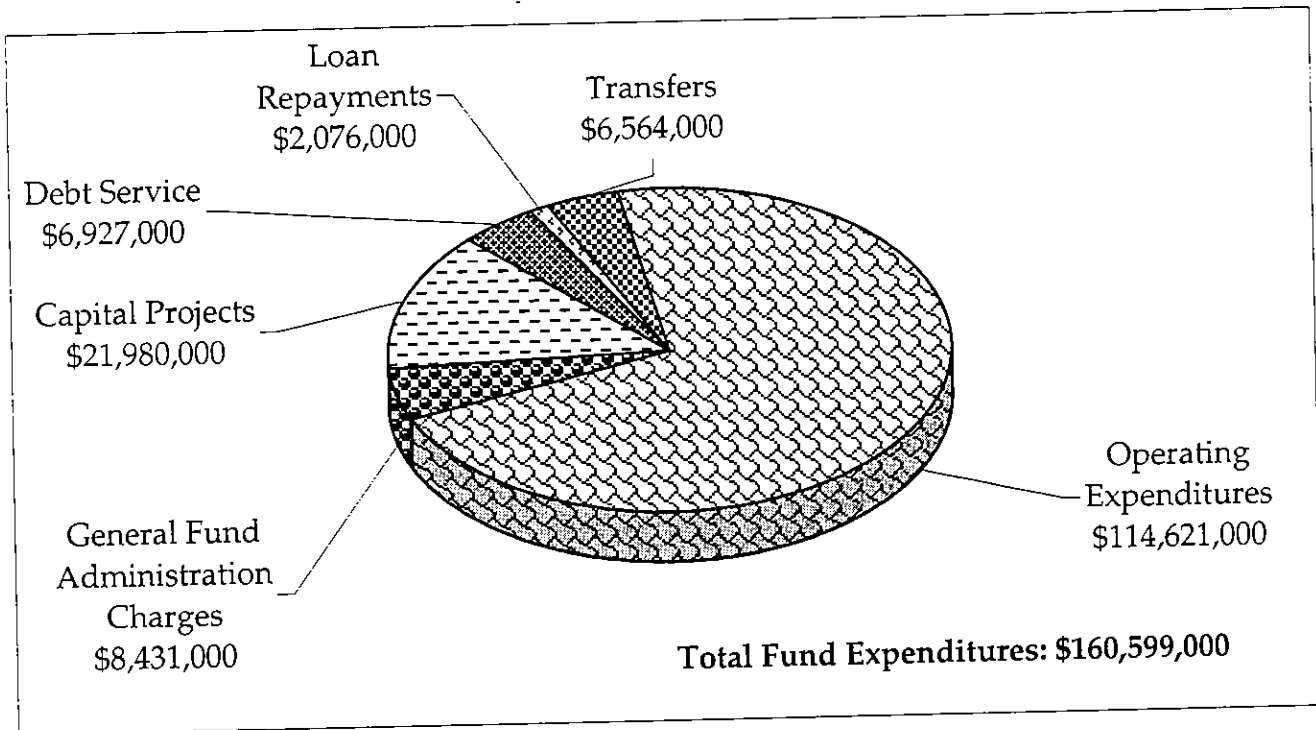
GENERAL OPERATING FUND EXPENDITURES



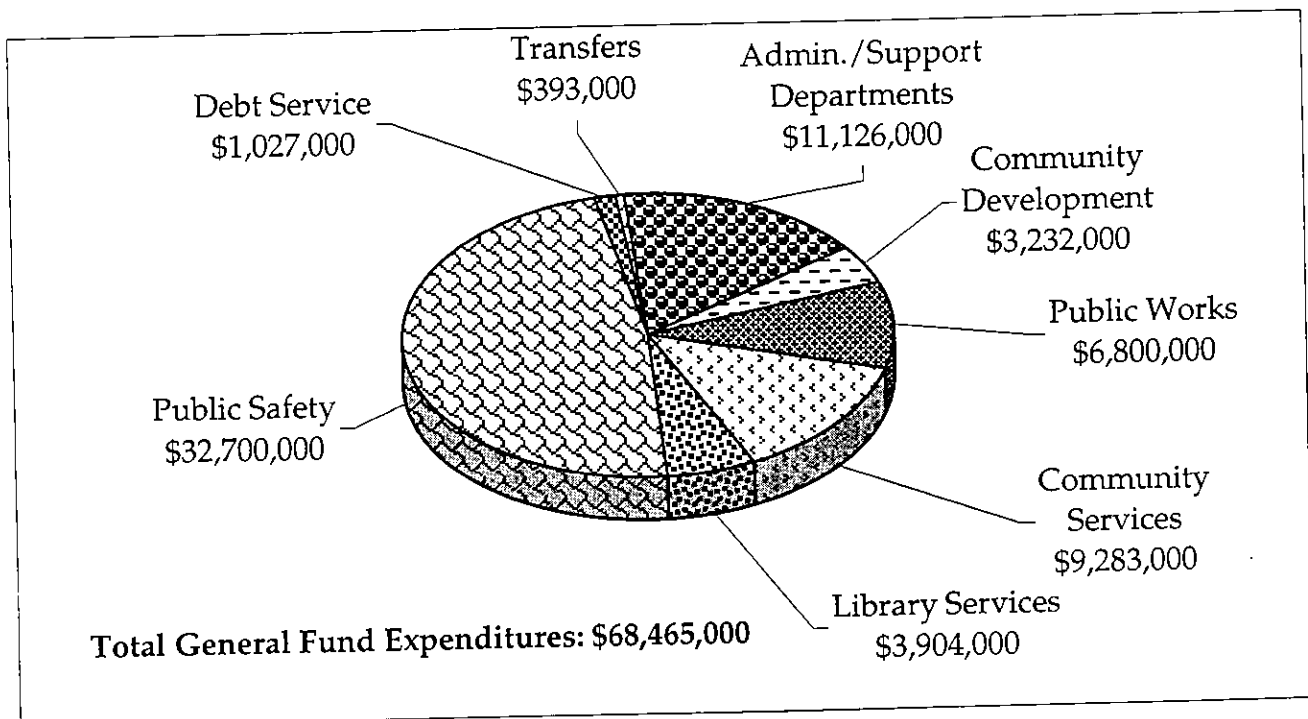
| Department | Actual 2001-02 | Adopted 2002-03 | Adopted 2003-04 | Percent Change ** |
|------------------------|----------------------|--------------------|--------------------|----------------------|
| City Council | \$ 148,730 | 203,618 | 185,262 | (9.0%) |
| City Clerk | 474,167 | 488,196 | 391,306 | (19.8%) |
| City Attorney | 1,052,193 | 1,169,417 | 1,083,882 | (7.3%) |
| City Manager | 1,050,921 | 1,311,324 | 1,040,586 | (20.6%) |
| Employee Services | 1,056,847 | 1,187,554 | 1,120,072 | (5.7%) |
| Finance and Admin Svcs | 6,191,295 | 6,673,663 | 6,151,202 | (7.8%) |
| Community Development | 3,387,368 | 3,667,327 | 3,232,465 | (11.9%) |
| Public Works | 7,038,326 | 7,649,945 | 6,799,836 | (11.1%) |
| Community Services | 9,238,276 | 9,763,977 | 9,282,971 | (4.9%) |
| Library Services | 3,842,243 | 3,971,038 | 3,903,840 | (1.7%) |
| Fire | 11,376,274 | 12,095,853 | 12,499,693 | 3.3% |
| Police | 17,857,391 | 19,304,869 | 20,200,736 | 4.6% |
| Non-Departmental | 4,567,101 | 3,146,433 | 2,573,422 | (18.2%) |
| TOTAL | \$ 67,281,132 | 70,633,214 | 68,465,273 | (3.1%) |

** Percent Change From Prior Year Adopted to Current Year Adopted Budget.

TOTAL FUND EXPENDITURES FISCAL YEAR 2003-04



GENERAL OPERATING FUND EXPENDITURES FISCAL YEAR 2003-04



FULL-TIME AND PERMANENT PART-TIME POSITION ALLOCATION

| | ADJUSTED 2001-02 | ADOPTED 2002-03 | ADOPTED 2003-04 | CHANGE |
|------------------------------------|---------------------|--------------------|--------------------|---------------|
| <u>GENERAL FUND</u> | | | | |
| CITY COUNCIL | 7.00 | 7.00 | 7.00 | |
| CITY CLERK | 5.50 | 5.50 | 4.00 | -1.50 (a) |
| CITY ATTORNEY | 9.00 | 9.00 | 8.00 | -1.00 (b) |
| CITY MANAGER | 9.60 | 8.60 | 7.00 | -1.60 (c) |
| EMPLOYEE SERVICES | 8.50 | 8.50 | 8.00 | -0.50 (d) |
| FINANCE AND ADMIN SRVCS | 40.00 | 39.00 | 36.50 | -2.50 (e) |
| COMMUNITY DEVELOPMENT | 27.50 | 27.50 | 22.50 | -5.00 (f) |
| PUBLIC WORKS | 58.68 | 57.18 | 46.42 | -10.76 (g) |
| COMMUNITY SERVICES | 81.25 | 80.15 | 73.15 | -7.00 (h) |
| LIBRARY SERVICES | 39.50 | 39.50 | 37.25 | -2.25 (i) |
| FIRE | 81.85 | 81.85 | 79.85 | -2.00 (j) |
| POLICE | 155.50 | 155.80 | 148.40 | -7.40 (k) |
| | <u>523.88</u> | <u>519.58</u> | <u>478.07</u> | <u>-41.51</u> |
| <u>OTHER FUNDS</u> | | | | |
| CITY MANAGER | | | | |
| SHORELINE REGIONAL PARK COMMUNITY | 0.40 | 0.40 | 0.40 | |
| FINANCE AND ADMIN SRVCS | | | | |
| WATER | 1.00 | 1.00 | 2.00 | +1.00 (l) |
| COMMUNITY DEVELOPMENT | | | | |
| SHORELINE REGIONAL PARK COMMUNITY | 1.25 | 1.25 | 1.25 | |
| CDBG | 1.70 | 1.70 | 1.70 | |
| REVITALIZATION/PARKING | 0.55 | 0.55 | 0.55 | |
| PUBLIC WORKS | | | | |
| SHORELINE REGIONAL PARK COMMUNITY | 1.40 | 1.40 | 1.63 | +0.23 (m) |
| WATER | 38.39 | 37.99 | 34.72 | -3.27 (n) |
| WASTEWATER | 13.65 | 13.55 | 13.85 | +0.30 (o) |
| SOLID WASTE MANAGEMENT | 17.88 | 17.88 | 16.38 | -1.50 (p) |
| EQUIPMENT MAINTENANCE | 10.00 | 10.00 | 10.00 | |
| COMMUNITY SERVICES | | | | |
| SHORELINE PARK | 7.25 | 8.35 | 9.10 | +0.75 (q) |
| SHORELINE GOLF LINKS | 24.25 | 24.25 | 22.25 | -2.00 (r) |
| FIRE | | | | |
| WASTEWATER | 6.65 | 6.65 | 6.65 | |
| POLICE | | | | |
| SUPPLEMENTAL LAW ENFORCEMENT SRVCS | 2.00 | 1.70 | 1.20 | -0.50 (s) |
| LOCAL LAW ENFORCEMENT BLOCK GRANT | 1.00 | 1.00 | 1.00 | |
| | <u>127.37</u> | <u>127.67</u> | <u>122.68</u> | <u>-4.99</u> |
| TOTAL EMPLOYEES | <u>651.25</u> | <u>647.25</u> | <u>600.75</u> | <u>-46.50</u> |
| CHANGE FROM PRIOR YEAR | 11.25 | -4.00 | -46.50 | |

FULL-TIME AND PERMANENT PART-TIME POSITION ALLOCATION

(Continued)

Notes:

- a. Includes the elimination of 1.5 Office Assistant I/II positions.
- b. Includes the elimination of a Secretary position.
- c. Includes the transfer of the Web Site Coordinator position to the Finance and Administrative Services Department and the elimination of 0.60 Senior Administrative Analyst position.
- d. Includes the elimination of the unfunded 0.50 Personnel Analyst I/II position.
- e. Includes the transfer of the Web Site Coordinator position from the City Manager's Office. Includes the change in budgeting a Senior Systems Analyst Position from the Cost Allocation Plan to charging to the Water Fund directly. Includes the elimination of the Revenue Manager position, a Program Assistant position (0.50 unfunded in prior year) and 0.50 of an Accounting Technician position.
- f. Includes the elimination of a Senior Planner position, two unfunded Building Inspector I/II positions, an unfunded Asst/Associate Planner position and a Program Assistant position.
- g. Includes the elimination of: the Capital Program Manager position, the Streets and Landfill Closure Manager position (0.50 in the General Operating Fund), the limited term Project Manager position, a Streets Supervisor position (0.60 in the General Operating Fund), the Facilities Supervisor position, a Jr/Asst/Associate Engineer (Civil) position (0.75 in the General Operating Fund), an unfunded Jr/Asst/Associate Engineer (Civil) position (0.50 in the General Operating Fund), an Public Works Inspector I/II position, an unfunded Engineering Assistant III position, a unfunded Heavy Equipment Specialist position (0.50 in the General Fund), and a Street Maintenance Worker I/II position. Includes the transfer of a Principal Civil Engineer position from the Water (0.80) and Wastewater (0.20) Funds. Includes the transfer of 0.05 Facilities Maintenance Manager position, 0.05 Facilities Project Manager position, 0.33 Facilities Maintenance Worker I/II position and 0.10 Lighting and Traffic Technician position to the Shoreline Regional Park Community (SRPC) Fund. Includes the transfer of 0.60 Streets Supervisor position to the SRPC, Water, Wastewater and Solid Waste Funds and the transfer of 0.65 Street Maintenance Worker III position and 1.30 Street Maintenance Worker I/II positions to the SRPC, Water, and Wastewater Funds. Includes the change in budgeting 0.30 Customer Service Technician position from the Cost Allocation Plan and the change in budgeting 0.13 Heavy Equipment Specialist from cross charging to direct charging to the Water and Wastewater funds.

FULL-TIME AND PERMANENT PART-TIME POSITION ALLOCATION

(Continued)

- h. Includes the elimination of: the Forestry and Roadway Landscape Manager position, 0.50 Performing Arts Supervisor position, a Parks Maintenance Worker III position, two Parks Maintenance Worker I/II positions, 0.50 Senior Ticket Service Representative position, 0.75 Senior Stagehand position and an Office Assistant III position. Includes the addition of 0.50 Performing Arts Assistant position. Includes the transfer of 0.25 Parks Maintenance Worker III position and 0.50 of Parks Maintenance Worker I/II position to the Shoreline Regional Park Community Fund.
- i. Includes the elimination of 0.75 Librarian I/II (0.25 unfunded) and 1.50 unfunded Library Assistant I/II positions.
- j. Includes the elimination of a Fire Protection Engineer position and an Office Assistant III position.
- k. Includes the mid-year elimination of 0.50 Police Assistant III position. Includes the elimination of an unfunded Police Officer position, two Police Officer Overhire positions, a Community Services Officer position, a Property and Fingerprint Technician position, 0.40 Senior Administrative Analyst position, two Lead Public Safety Dispatcher Overhire positions and 1.50 unfunded Office Assistant III positions. Includes the addition of a Police Records Specialist Overhire position and 0.50 Police Assistant I/II position. Includes the transfer of 0.50 Police Officer position from the Supplemental Law Enforcement Grant Fund.
- l. Includes the change in budgeting a Senior Systems Analyst Position from the Cost Allocation Plan to charging to the Water Fund directly.
- m. Includes the transfer of 0.05 Facilities Maintenance Manager position, 0.05 Facilities Project Manager position, 0.33 Facilities Maintenance Worker I/II position and 0.10 Lighting and Traffic Technician position from the General Operating Fund. Includes the transfer of 0.05 Streets Supervisor position, 0.05 Street Maintenance Worker III position and 0.10 Street Maintenance Worker I/II positions from the General Operating Fund. Includes the elimination of 0.50 unfunded Heavy Equipment Specialist position.
- n. Includes the change in budgeting 0.70 Customer Service Technician position from the Cost Allocation Plan to the General Operating Fund (0.30) and Solid Waste Management Fund (0.40). Includes the transfer of 0.15 Streets Supervisor position, 0.30 Street Maintenance Worker III position and 0.60 Street Maintenance Worker I/II positions from the General Operating Fund. Includes the elimination of an unfunded Jr/Asst/Associate Engineer (Civil) position (0.40 in the Water Fund), a Heavy Equipment Operator position (0.50 in the Water Fund), a Meter Service Worker I/II position and a Water Utility Worker I/II position. Includes the transfer of 0.80 Principal Civil Engineer to the General Operating Fund. Includes the change in

FULL-TIME AND PERMANENT PART-TIME POSITION ALLOCATION
(Continued)

budgeting 0.08 Heavy Equipment Specialist from cross charging from the General Operating Fund to direct charging to the Water fund.

- o. Includes the transfer of 0.15 Streets Supervisor position, 0.30 Street Maintenance Worker III position and 0.60 Street Maintenance Worker I/II positions from the General Operating Fund. Includes the elimination of an unfunded Jr/Asst/Associate Engineer (Civil) position (0.10 in the Wastewater Fund), a Heavy Equipment Operator position (0.50 in the Wastewater Fund). Includes the transfer of 0.20 Principal Civil Engineer to the General Operating Fund. Includes the change in budgeting 0.05 Heavy Equipment Specialist from cross charging from the General Operating Fund to direct charging to the Wastewater fund.
- p. Includes the change in budgeting 0.40 Customer Service Technician position from the Cost Allocation Plan to direct charging the Solid Waste Management Fund. Includes the elimination of the Streets and Landfill Closure Manager position (0.50 in the Solid Waste Management Fund), a Jr/Asst/Associate Engineer (Civil) position (0.25 in the Solid Waste Management Fund), a Streets Supervisor position (0.40 in the Solid Waste Management Fund), and an Administrative Analyst I/II position. Includes the transfer of 0.25 Streets Supervisor position from the General Operating Fund.
- q. Includes transfer of 0.25 Parks Maintenance Worker III position and 0.50 Parks Maintenance Worker I/II position from the General Operating Fund.
- r. Includes the elimination of two Greenskeeper I positions.
- s. Includes transfer of 0.50 Police Officer to the General Operating Fund.

**FISCAL YEAR 2003-04
FUNDING OF NONPROFIT AGENCIES**

| <u>AGENCY</u> | <u>2002-03 Adopted</u> | <u>2003-04 Requested</u> | <u>2003-04 Adopted</u> |
|--|----------------------------|------------------------------|----------------------------|
| Catholic Charities | \$ 9,640 | 9,930 | 9,640 |
| Community School of Music & Arts | | | |
| Education Program | 20,558 | 25,000 | 15,558 |
| CSA - Senior Meals | 30,660 | 31,580 | 31,160 |
| May View Community Health Center | 35,401 | 40,000 | 35,401 |
| Mid Peninsula Citizens for Fair Housing | 15,500 | 15,000 | 15,000 |
| Mid Peninsula YWCA | 6,000 | 8,000 | 6,000 |
| Outreach and Escort | 15,836 | 0 | 0 |
| Parents Helping Parents | 0 | 5,000 | 5,000 |
| Support Network for Battered Women | 32,000 | 32,000 | 32,000 |
| Community Health Awareness Council | 62,967 | 64,856 | 64,867 |
| Project Sentinel | 84,214 | 84,214 | 84,214 |
| Joint Venture:Silicon Valley | 15,000 | 15,000 | 15,000 |
| KMVT | 485,500 *1 | 485,500 *1 | 70,000 *2 |
| Mountain View Pop Warner Football/Cheer Club | 5,000 | 0 | 0 *3 |
| Community School of Music & Arts | | | |
| Arts in Action | 52,259 | 52,259 | 52,259 |
| Music in Action | 24,800 | 24,800 | 24,800 |
| Youth Sports Fee Waiver | 8,000 | 8,000 | 8,000 |
| General Fund Total | \$ <u>903,335</u> | <u>901,139</u> | <u>468,899</u> |

*1 This represents 3 1/2% of the 5% estimated cable franchise revenues received by the City and interest earned on a Cable TV Capital Grant. Actual payment is dependent on actual cable franchise revenue received and actual interest earned.

*2 This represents a maximum payment of \$70,000 to KMVT for Public Access.

*3 Fiscal Year 02-03 Council moved this organization to the Operating Budget.

**FISCAL YEAR 2003-04
FUNDING OF NONPROFIT AGENCIES**

(Continued)

| <u>AGENCY</u> | 2002-03 <u>Adopted</u> | 2003-04 <u>Requested</u> | 2003-04 <u>Adopted</u> |
|--|---------------------------|-----------------------------|---------------------------|
| American Red Cross | \$ 4,000 | 0 | 0 |
| Clara-Mateo Alliance Shelter | | | |
| Emergency shelter for homeless persons | 2,005 | 5,000 | 0 |
| Emergency shelter for families with children | 5,000 | 5,000 | 5,000 |
| CSA - Senior Services | 34,690 | 34,690 | 32,893 |
| CSA - Emergency Assistance | 35,947 | 39,542 | 39,542 |
| CSA - Alpha Omega Shelter | 9,315 | 9,315 | 9,315 |
| Emergency Housing Consortium | 17,340 | 18,540 | 16,027 |
| May View Community Health Center | 5,000 | 5,000 | 5,000 |
| Mid Peninsula Citizens for Fair Housing | 5,000 | 5,000 | 5,000 |
| Second Harvest Food Bank | 5,764 | 6,764 | 5,764 |
| Senior Adults Legal Assistance | 6,000 | 6,000 | 2,930 |
| Senior Day Health Program | 5,000 | 5,150 | 0 |
| Social Advocates for Youth | 8,774 | 10,000 | 7,079 |
| CDBG Total | \$ <u>143,835</u> | <u>150,001</u> | <u>128,550</u> |
| | Maximum | | Maximum |

NOTES

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**FISCAL YEAR 2003-04
ADOPTED CAPITAL OUTLAY**

General Fund Recommendations

| | |
|-----------------------------------|------------------|
| Community Services Department: | \$ <u>36,000</u> |
| Teen Center Building Improvements | 36,000 |
| Library Department: | <u>32,000</u> |
| Self-Check Machine | 27,000 |
| Media Shelving | 5,000 |
| Police Department: | <u>22,800</u> |
| Breath Alcohol Testing Equipment | 5,000 |
| New Canine and Equipment | 17,800 |
| General Fund Total | \$ <u>90,800</u> |

Non General Fund Recommendations

| | |
|---|---------------------|
| Public Works Department: | |
| Solid Waste Management: | <u>\$1,584,800</u> |
| Refuse and Recycling Carts | 1,584,800 |
| Fleet: | <u>45,000</u> |
| Gasoline Vehicle Emission Testing Equipment | 45,000 |
| Community Services Department: | |
| Shoreline: | <u>10,045</u> |
| Small Unit Mower | 10,045 |
| Total Other Funds | \$ <u>1,639,800</u> |
| Total Capital Outlay | \$ <u>1,730,600</u> |

**FISCAL YEAR 2003-04
ADOPTED EQUIPMENT REPLACEMENT**

| | |
|--|-------------------|
| COMPUTERS: | \$ <u>347,700</u> |
| 75 Computers | 136,300 |
| Miscellaneous Software Licenses | 102,900 |
| 5 Servers | 62,000 |
| 9 Printers | 33,000 |
| 1 Image CD-ROM Jukebox | 13,500 |
| COMPUTER AIDED DISPATCH/RECORDS MANAGEMENT SYSTEM: | <u>300,700</u> |
| Replacement of CAD/RMS Computer Hardware | 300,700 |
| COMMUNICATIONS CENTER: | <u>54,500</u> |
| 1 PD3 Base primary | 14,000 |
| 1 PD3 Base secondary | 14,000 |
| 2 PD3 Voting Receivers | 12,000 |
| 1 FD2 Base MSR-2000 | 8,500 |
| 1 DPW1 Control Base and REM | 3,500 |
| 1 SCLEMACS Base MSR | 2,500 |
| FIRE RADIOS: | <u>61,200</u> |
| 20 MTS-2000 Portable Radios | 44,000 |
| 4 SPECTRA-Mobile Radios | 17,200 |
| POLICE RADIOS: | <u>123,900</u> |
| 118 HT-1000 Portable Radios | 123,900 |

FISCAL YEAR 2003-04
ADOPTED EQUIPMENT REPLACEMENT
(Continued)

FLEET: \$ 466,000

| | |
|---------------------------|---------|
| 1 Heavy Truck | 225,000 |
| 4 Patrol Cars | 140,000 |
| 3 Electric Vehicles | 60,000 |
| 1 Scooter | 26,000 |
| 5 Miscellaneous Equipment | 15,000 |

GOLF EQUIPMENT: 53,200

| | |
|---------------------|--------|
| 1 Fairway Mower | 33,000 |
| 1 Triplex Tee Mower | 20,200 |

TOTAL EQUIPMENT REPLACEMENT \$1,407,200

**FISCAL YEAR 2003-04
ADOPTED CAPITAL IMPROVEMENT PROJECTS**

| <u>Item</u> | <u>Project Description</u> | <u>Funding Source</u> | <u>2003/2004</u> |
|--------------------------------|---|------------------------------------|------------------------------|
| <u>Amended Projects</u> | | | |
| 97-04 | 97-98 Water System Improvements Transfer remaining balance into the Miramonte Reservoir Construction, Phase II project. | Water | \$(231) |
| 99-04 | 98-99 Water System Improvements Transfer remaining balance into the Miramonte Reservoir Construction, Phase II project. | Water | (64) |
| 01-24 | Miramonte Avenue Water Main Replacement, Phase II Transfer remaining balance into the Miramonte Reservoir Construction, Phase II project. | Water | (629) |
| 00-32 | Miramonte Reservoir Construction, Phase II Transfer balances from three closed projects and increase funding by an additional \$0.6 Million. Funding for revised design and construction in response to environmental concerns. | Water | 1,500 |
| 02-23 | Sr. Center Seismic Upgrade, Health & Safety, HVAC/Roof Replacement Transfer remaining construction balance to new Senior Center, project 04-29. | CIP Reserve C/C Tax Parkland | (12,730) (500) (1,320) |
| 99-58 | Stevens Creek Trail, Reach 4, Segment 2 Additional funding to complete environmental impact report responses to public comments, and to study phasing the design. | Shoreline Community | 150 |
| 01-55 | Energy Initiatives Reduce project to reflect lower costs of implementing energy conservation measures. | CIP Reserve | (100) |
| 02-26 | El Camino Real Landscaping, Phase III Return project balance. | CIP Reserve | (150) |
| 02-27 | Hetch-Hetchy Trail Design & Construction Return project balance. | Transit Zone | (400) |

FISCAL YEAR 2003-04
ADOPTED CAPITAL IMPROVEMENT PROJECTS
(Continued)

| <u>Item</u> | <u>Project Description</u> | <u>Funding Source</u> | <u>2003/2004</u> |
|--------------|---|-----------------------------------|------------------|
| | <u>Infrastructure Maintenance and Other Projects</u> | | |
| 04-01 | 03-04 Street Resurfacing Program Install asphalt concrete and fog seal overlays, raise utilities and monuments. | Shoreline Community | \$685 |
| 04-02 | 03-04 Traffic Signal Replacements/Modifications Replace traffic signal controllers, related equipment and traffic detector loops. Includes minor modifications to existing traffic signals to improve traffic safety. | CIP Reserve Gas Tax | 29 40 |
| 04-03 | 03-04 Slurry Seal Program Apply slurry seal to selected street surfaces and City facility parking lots as required. | CIP Reserve C/C Tax Gas Tax | 3 54 45 |
| 04-04 | 03-04 Water System Improvements Scheduled replacement of smaller water system components and minor unscheduled improvements to the City's water system. | Water | 284 |
| 04-05 | 03-04 Wastewater System Improvements Unscheduled minor improvements/repairs to the City's wastewater collection and pumping system. | Wastewater | 131 |
| 04-06 | 03-04 Concrete Sidewalk/Curb Repairs Replace deteriorated sidewalks and repair concrete curbs, gutters, and sidewalks displaced by street tree growth, and/or failure of City-owned utilities. | C/C Tax | 425 |
| 04-07 | 03-04 Parks Pathway Resurfacing Renovate various park pathways within City parks. | C/C Tax | 81 |

FISCAL YEAR 2003-04
ADOPTED CAPITAL IMPROVEMENT PROJECTS
(Continued)

| <u>Item</u> | <u>Project Description</u> | <u>Funding Source</u> | <u>2003/2004</u> |
|-------------|---|--|----------------------|
| 04-08 | 03-04 Shoreline Pathway, Roadway, Parking Improvements Correct drainage problems and damage due to differential settlement, and provide pathway, roadway, and parking related amenities. | Shoreline Community | \$158 |
| 04-09 | 03-04 Forestry Maintenance Program and Street Tree Replanting Contract for pruning, removing, stumping, purchasing, and replanting approximately 800 to 1,000 medium to large trees within the City. Maintain trees damaged by freezing, disease, drought and other natural causes. | C/C Tax | 166 |
| 04-10 | 03-04 Shoreline Landfill Cap Maintenance and Repairs Regulatory mandates of the Bay Area Air Quality Management District and the Regional Water Quality Control Board require the City to protect the integrity of the landfill cap and prevent surface emissions by regrading, filling, recompacting, and making other improvements. | Shoreline Community | 105 |
| 04-11 | 03-04 Developer Reimbursements Construct street and utility improvements concurrent with private development. Adjacent properties benefiting from street and utility improvements will be required to reimburse the City for the improvements. | CIP Reserve Water Wastewater Storm Construct. | 26 26 26 26 |
| 04-12 | 03-04 Street Lane Line and Legend Repainting Annual repainting of lane lines and legends on City streets. | C/C Tax | 181 |
| 04-13 | 03-04 Landfill Gas/Leachate System Repairs & Improvements Annual repairs and improvements to large components of the landfill gas and leachate system. | Shoreline Community | 105 |

FISCAL YEAR 2003-04
ADOPTED CAPITAL IMPROVEMENT PROJECTS
(Continued)

| <u>Item</u> | <u>Project Description</u> | <u>Funding Source</u> | <u>2003/2004</u> |
|--------------|--|-----------------------------------|------------------|
| 04-14 | 03-04 Facilities Maintenance Plan Repair, replace, or maintain City facilities and facilities in the Shoreline Regional Park Community (HVAC, roofs, carpets, plumbing, etc.). | C/C Tax Shoreline Community | \$280 170 |
| 04-15 | 03-04 Annual Traffic Studies/NTMP Improvements Funds traffic control devices authorized through the Neighborhood Traffic Management Program, and annual contracts with traffic consultants to study neighborhood traffic issues. | C/C Tax Gas Tax | 70 35 |
| 04-16 | 03-04 Maintenance Agreement for JPB/VTa Transit Center Reimbursement of City expenses by JPB/VTa. | Other (Reimbursement) | 100 |
| 04-17 | Shoreline Infrastructure Maintenance Maintenance of water lines, sewer lines, storm drainage system, water system supplying the sailing lake. | Shoreline Community | 100 |
| 04-18 | Shoreline Sailing Lake Water Supply Alternatives, Design, Environmental, Permitting Detailed studies for alternative solutions to lake water supply. Prepare environmental documentation and process permit applications | Shoreline Community | 500 |
| 04-19 | Shoreline Community, Reclaimed Water Feasibility Study Evaluate demand and improved distribution of reclaimed water in the North Bayshore area. | Shoreline Community | 200 |
| 04-20 | Sewer System Master Plan Prepare an updated 10-year sewer master plan. | Wastewater | 289 |

FISCAL YEAR 2003-04
ADOPTED CAPITAL IMPROVEMENT PROJECTS
(Continued)

| <u>Item</u> | <u>Project Description</u> | <u>Funding Source</u> | <u>2003/2004</u> |
|--|--|------------------------------|-------------------------|
| 04-21 | Permanente Creek Ped/Bike Over crossing Hwy. 101, Feasibility Study Determine feasibility of building a pedestrian/bicycle crossing along Permanente Creek where it crosses Highway 101. | Shoreline Community | \$150 |
| <u>Capital Improvement Projects</u> | | | |
| 04-22 | Miscellaneous Storm/Sanitary Sewer Main Replacement Repair and replace storm and sanitary sewer pipes, manholes and systems identified by the City's annual line televising program. | Wastewater | 1,216 |
| 04-23 | Miscellaneous Water Main/Service Line Replacement Replace corroded and/or undersized cast iron pipe water mains on various streets. The replacement will include water services and fire hydrants. | Water | 1,255 |
| 04-24 | 03-04 Install 2-Way Sewer Lateral Cleanouts Fifth year of 10-year program to install 2-way sewer lateral cleanouts on all laterals connecting to the City's main sewer lines. Intent is to install 100-150 cleanouts per year. | Wastewater | 116 |
| 04-25 | Transit Oriented Development Pedestrian/Bike Improvements Design and install new pedestrian/bike improvements. | Transit Zone | 697 |
| 04-26 | Middlefield Road/Easy Street Traffic Signal Design and install new traffic signal at the intersection of Middlefield Road and Easy Street. | C/C Tax | 150 |

FISCAL YEAR 2003-04
ADOPTED CAPITAL IMPROVEMENT PROJECTS
(Continued)

| <u>Item</u> | <u>Project Description</u> | <u>Funding Source</u> | <u>2003/2004</u> |
|--------------------|--|--|--------------------------|
| 04-27 | Shoreline Maintenance Facility, Construction Construct approximately 6,000 square foot facility, including covered storage and site improvements for Shoreline Park maintenance personnel and equipment. | Shoreline Community | \$4,500 |
| 04-28 | Senior Center Design and Construction Design and construct new senior center facilities. | CIP Reserve C/C Tax Parkland | 12,730 2,000 1,745 |
| 04-29 | Bubb Park Restroom Construct a new restroom similar to other urban park facilities to meet standards, codes, and ADA requirements. | Park Land | 206 |
| 04-30 | Shoreline Golf Course Renovations Remedies differential settlement with renovation of four greens, at least ten tees and several fairway and rough areas. | Shoreline Community | 220 |
| 04-31 | Ellis Street Landscaped Median, Design and Construction Complete median on Ellis Street between Middlefield Road and Fairchild Drive. | Transit Zone | 400 |
| 04-32 | Bubb Park Playground Improvements Correct deficient playground equipment identified in recent playground assessment. | Park Land | 200 |
| 04-33 | Stevens Creek Trail Pedestrian Over crossing at Moffett Boulevard, Construction Construct pedestrian/bicycle crossing of Moffett Boulevard on Stevens Creek Trail. | Shoreline Community | 2,500 |
| 04-34 | Traffic Signals Battery Backup System Install battery back-ups for traffic signals. | C/C Tax Gas Tax Shoreline Community Other (Grant) | 150 100 60 155 |

FISCAL YEAR 2003-04
ADOPTED CAPITAL IMPROVEMENT PROJECTS
(Continued)

| <u>Item</u> | <u>Project Description</u> | <u>Funding Source</u> | <u>2003/2004</u> |
|--------------------|--|------------------------------|-------------------------|
| 04-35 | 2003-04 Transportation Development Act (TDA) Projects | | |
| | Install 10 new pedestrian access ramps at various intersections and audible pedestrian signals at intersections of Evelyn Avenue and Pioneer Way and Moffett Boulevard and Central Avenue. | C/C Tax | \$9 |
| | | Other (Grant) | 41 |
| 04-36 | Safe Routes to School, Design and Construction | | |
| | The Safe Routes to School project will install countdown pedestrian signals at intersections near schools throughout the City, and will install radar speed warning signs on streets located around schools. | C/C Tax | 32 |
| | | Other (State Grant) | 243 |
| 04-37 | ADA Playground Improvements, Phase IV, Design and Construction | | |
| | Upgrade existing playgrounds to meet new ADA and CPSC guidelines | CIP Reserve | 140 |
| 04-38 | Shoreline Boulevard Reconstruction, Gatehouse to Golf Course Parking Entrance | | |
| | Reconstruct roadway's uneven surface and pavement areas affected by landfill differential settlement. | Shoreline Community | 2,000 |
| 04-39 | San Antonio Road/Highway 101 Off-Ramp Traffic Signal | | |
| | Install new traffic signal at the Highway 101 northbound off-ramp/San Antonio Road intersection. Add northbound travel lane north of the overpass and interconnect new signal with existing traffic signal at San Antonio Road and Bayshore Parkway. | Shoreline Community | 234 |
| 04-40 | Stevens Creek Trail, Yuba Drive Through El Camino Real | | |
| | Seed money for developing trail from Yuba Drive through under crossing of El Camino Real. | Shoreline Community | 350 |

FISCAL YEAR 2003-04
ADOPTED CAPITAL IMPROVEMENT PROJECTS
(Continued)

| <u>Item</u> | <u>Project Description</u> | <u>Funding Source</u> | <u>2003/2004</u> |
|-------------|---|-----------------------|------------------------|
| 03-30 | Golf Car/Pro Shop Facility, Design and Construction | | |
| | Additional funding for Golf Car/Pro Shop Facility construction. | Shoreline Community | \$1,000 |
| | | Total | <u>\$22,465</u> |

**FY 2003/2004 PROJECTS
FUNDING SUMMARY**

| | |
|----------------------------------|------------------------|
| CIP Reserve Fund | (52) |
| Construction/Conveyance Tax Fund | 3,098 |
| Water Fund | 2,141 |
| Wastewater Fund | 1,778 |
| Storm Drain Fund | 26 |
| Solid Waste Management Fund | 0 |
| Gas Tax Fund | 220 |
| Shoreline Community Fund | 13,187 |
| Shoreline Golf Links Fund | 0 |
| Parking District Fund | 0 |
| Transit Zone Funding | 697 |
| Park Land Fund | 831 |
| Other Funding | <u>539</u> |
| Total | <u>\$22,465</u> |

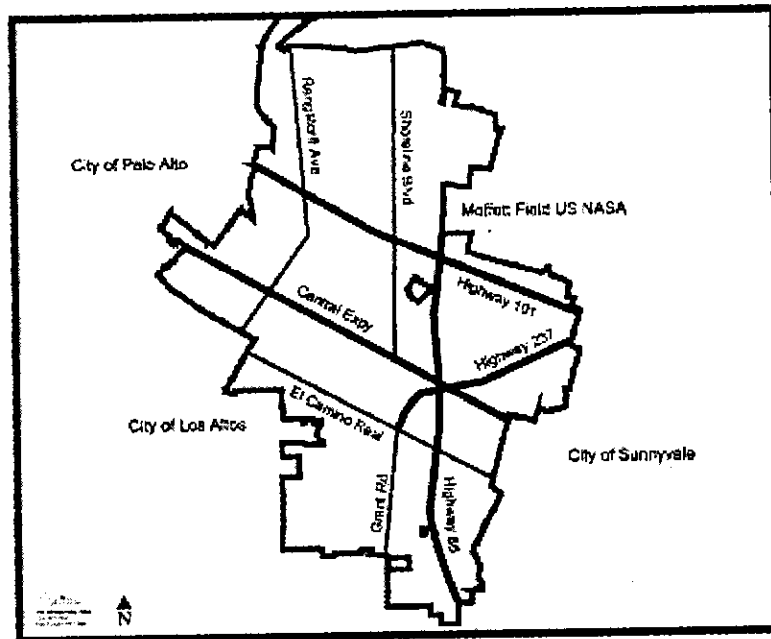
CITY OF MOUNTAIN VIEW, CALIFORNIA COMMUNITY PROFILE

History

The City of Mountain View is a charter city incorporated on November 7, 1902. The City operates under a council-manager form of government. The seven council members are elected at large for four-year terms that are staggered so three or four seats are filled at the general municipal election in November of every even-numbered year. Service on the Council is limited to two consecutive terms. Each year in January, the Council elects one of its members as Mayor and another as Vice-Mayor.

Location

Located in the heart of Silicon Valley, the City occupies approximately 12 square miles and is approximately 36 miles southeast of the City of San Francisco and 15 miles northwest of the City of San Jose (the County seat).



Climate

The climate is mild. The average temperatures during the summer months are in the mid-70's while during the winter they are in the high 50's. Rand McNally ranks Mountain View's climate the eighth most desirable of 329 metropolitan areas.

**CITY OF MOUNTAIN VIEW, CALIFORNIA
COMMUNITY PROFILE
(Continued)**

Transportation

Several major freeways and roads run through the City; U.S. Highway 101, California State Highway 85, Route 237, California State Highway 82 (known as El Camino Real) and Central Expressway. The City is also conveniently located near Interstate Highway 280. The City is bisected by CalTrains and is the northwest terminus of the County's Light Rail System. San Francisco International Airport is located 25 miles north of the City and San Jose International Airport is located 15 miles to the south.

Land Use Distribution

| | <u>Total Acres</u> | <u>Percent of Total</u> |
|-------------|--------------------|-------------------------|
| Residential | 3,580 | 47% |
| Commercial | 867 | 11% |
| Industrial | 1,398 | 18% |
| Other | 1,743 | 23% |
| Vacant | 21 | <1% |

Note: Total acreage has changed due to more precise numbers from using new GIS technology.

Housing

There are a total of 33,090 housing units in the City of Mountain View. The median housing value for a single-family home is \$650,000; for a condo/townhouse is \$375,000. Housing units - owner occupied: 13,730 (41.5%); renter occupied: 19,360 (58.5%). Vacancy rate: 3.67%.

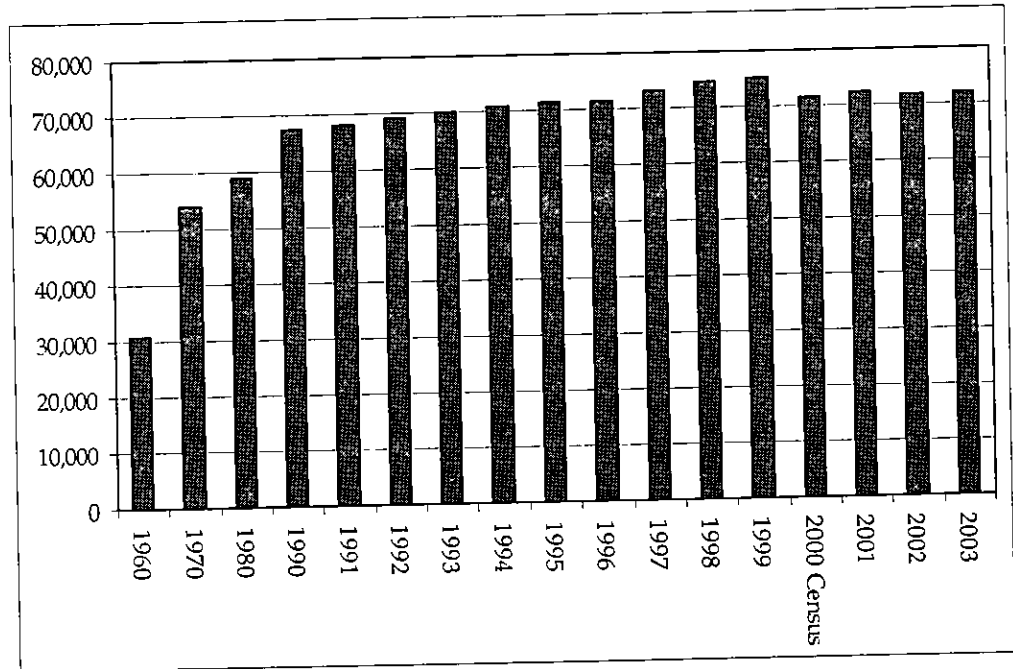
Recreation

The City enjoys many recreational facilities including operation of an eighteen-hole golf course, a 644-acre regional park with a boathouse and a sailing lake, and an outdoor amphitheater which seats 25,000.

CITY OF MOUNTAIN VIEW, CALIFORNIA COMMUNITY PROFILE (Continued)

Population

1960.....30,889
1970.....54,132
1980.....58,722
1990.....67,460
1991.....68,071
1992.....69,070
1993.....69,875
1994.....70,835
1995.....71,496
1996.....71,300
1997.....73,100
1998.....74,700
1999....75,200
2000....71,369
2001....72,242
2002....71,610
2003....72,000



Sources: California State Department of Finance

Major Employers

| Employer | Type of Business |
|-------------------------------------|--------------------------------------|
| Acuson Corporation | Diagnostic Imaging Systems |
| El Camino Hospital | Health Services |
| General Dynamics Electronic Systems | Electronics |
| Google | Software |
| Intuit Corporation | Financial Software |
| Johnson & Johnson Alza Corporation | Pharmaceutical |
| KPMG | Consulting & Tax Services |
| Microsoft Corporation | Software |
| Silicon Graphics, Inc. | Graphic Workstations |
| Synopsys, Inc. | Chip Development Software & Services |
| Veritas Software Global Corporation | Software |

**CITY OF MOUNTAIN VIEW, CALIFORNIA
COMMUNITY PROFILE
(Continued)**

Financial Status

| City | Population * | Adopted General Fund Revenues | Adopted General Fund Appropriations | Adopted Total Budget** |
|---------------|--------------|-------------------------------------|---|------------------------------|
| Mountain View | 72,000 | \$ 71,852,000 | \$ 69,120,000 | \$154,035,000 |
| Los Altos | 27,700 | 20,810,000 | 19,290,000 | 27,998,000 |
| Cupertino | 52,200 | 31,120,000 | 31,365,000 | 51,120,000 |
| Palo Alto | 60,500 | 121,223,000 | 120,710,000 | 316,966,000 |
| Milpitas | 65,000 | 55,200,000 | 60,10,000 | 105,700,000 |
| Santa Clara | 105,800 | 108,776,000 | 116,504,000 | 442,241,000 |
| Sunnyvale | 132,500 | 93,581,000 | 98,344,000 | 212,091,000 |
| San Jose | 925,000 | 638,190,000 | 778,866,000 | 2,547,914,000 |

Source: Revenues, Appropriations and Budget obtained from respective cities.

* Estimates as of 1/1/03, obtained from the California State Department of Finance.

** Amounts exclude transfers, City of San Jose Total Budget is Proposed amount as Adopted amount was not available.

COMPUTATION OF LEGAL DEBT MARGIN

June 30, 2003
(Dollars in Thousands)

| | |
|--|---------------------|
| Assessed value (net) - June 30, 2003 (1) | \$ <u>9,079,727</u> |
| Debt limit: 15% of assessed value | 1,361,959 |
| Less total bonded debt, general obligation | <u>0</u> |
| Legal debt margin (2) | \$ <u>1,361,959</u> |

(1) Source: Cal Muni. Does not include tax increment districts.

(2) The legal debt margin for the City of Mountain View, California, is calculated using a debt limit of 15 percent of the assessed value of property within the City limits.

DEBT SERVICE REQUIREMENTS
AS OF JUNE 30, 2003
(Dollars in Thousands)

| <u>Type of Indebtedness</u> | <u>Maturity</u> | <u>Interest Rates</u> | <u>Authorized and Issued</u> | <u>Outstanding as of June 30, 2003</u> |
|--|-----------------|-----------------------|------------------------------|--|
| <u>Tax Allocation Bonds(a)</u> | | | | |
| Shoreline Regional Park Community: | | | | |
| 1993 Tax Allocation Bonds | 2018 | 3.1 - 5.75% | 25,465 | 19,655 |
| 1996 Tax Allocation Bonds | 2021 | 4.0 - 5.6% | 21,750 | 18,720 |
| 2001 TA Refunding Bonds | 2016 | 3.5 - 5.25% | 17,520 | <u>16,650</u> |
| Total revenue and tax allocation bonds | | | | <u>55,025</u> |
| <u>Special Assessment Debt with Governmental Commitment(b)</u> | | | | |
| | Up to 2022 | 4.1 - 8.2% | 6,016 | <u>2,319</u> |
| <u>Certificates of Participation</u> | | | | |
| City of Mountain View: | | | | |
| 2001 Refunding (a) | 2015 | 3.5 - 4.75% | 10,720 | 10,130 |
| Revitalization Authority: | | | | |
| 1995 Refunding (a) | 2016 | 4.0 - 6.0% | 9,175 | <u>7,145</u> |
| Total certificates of participation | | | | <u>17,275</u> |
| Total long-term debt | | | | <u>\$74,619</u> |

Debt service payments are generally made from the following sources:

- (a) Transfers from the General Fund and property taxes transferred from the Special Revenue Funds to the Debt Service Funds.
- (b) Special assessment revenues recorded in the Special Assessment Debt Service Fund.

ANNUAL DEBT SERVICE PAYMENTS BY ENTITY

| | <u>2001-02</u> <u>AUDITED</u> | <u>2002-03</u> <u>ADOPTED</u> | <u>2003-04</u> <u>ADOPTED</u> |
|--|----------------------------------|----------------------------------|----------------------------------|
| City of Mountain View | | | |
| 2001 Refunding Certificates of Participation (COPs) | | | |
| Principal | 0 | 590,000 | 620,000 |
| Interest | <u>223,592</u> | <u>428,419</u> | <u>407,244</u> |
| TOTAL City of Mountain View Refunding COPs 2001 | <u>223,592</u> | <u>1,018,419</u> | <u>1,027,244</u> |
| Mountain View Capital Improvements Financing Authority (MVCIFA) | | | |
| 1992 Revenue Bonds* | | | |
| Principal | \$ 2,175,000 | 0 | 0 |
| Interest | <u>1,106,930</u> | <u>0</u> | <u>0</u> |
| TOTAL MVCIFA 1992 Revenue Bonds* | <u>3,281,930</u> | <u>0</u> | <u>0</u> |
| SHORELINE REGIONAL PARK COMMUNITY | | | |
| 1992 Tax Allocation (TA) Refunding Bonds | | | |
| Principal | 1,060,000 | 0 | 0 |
| Interest | <u>573,558</u> | <u>0</u> | <u>0</u> |
| Total 1992 TA Refunding Bonds | <u>1,633,558</u> | <u>0</u> | <u>0</u> |
| 1993 Series A Tax Allocation Bonds | | | |
| Principal | 725,000 | 760,000 | 795,000 |
| Interest | <u>1,167,415</u> | <u>1,141,504</u> | <u>1,102,231</u> |
| Total 1993 Series A TA Bonds | <u>1,892,415</u> | <u>1,901,504</u> | <u>1,897,231</u> |
| 1996 Series A Tax Allocation Bonds | | | |
| Principal | 540,000 | 565,000 | 590,000 |
| Interest | <u>1,060,987</u> | <u>1,042,849</u> | <u>1,015,270</u> |
| Total 1996 Series A TA Bonds | <u>1,600,987</u> | <u>1,607,849</u> | <u>1,605,270</u> |
| 2001 Tax Allocation Refunding Bonds | | | |
| Principal | 0 | 870,000 | 915,000 |
| Interest | <u>397,292</u> | <u>757,115</u> | <u>725,878</u> |
| Total 2001 TA Refunding Bonds | <u>397,292</u> | <u>1,627,115</u> | <u>1,640,878</u> |
| TOTAL Shoreline Regional Park Community | <u>5,524,252</u> | <u>5,136,468</u> | <u>5,143,379</u> |

ANNUAL DEBT SERVICE PAYMENTS BY ENTITY
(continued)

REVITALIZATION AUTHORITY

| | | | |
|--|----------------------------|-------------------------|-------------------------|
| 1995 Refunding Certificates of Participation | | | |
| Principal | 325,000 | 340,000 | 355,000 |
| Interest | 432,887 | 418,590 | 401,903 |
| TOTAL Revitalization Authority | <u>757,887</u> | <u>758,590</u> | <u>756,903</u> |
| TOTAL DEBT SERVICE REQUIREMENTS | \$ <u>9,787,661</u> | <u>6,913,477</u> | <u>6,927,526</u> |

* The 1992 Revenue Bonds are funded by the General Fund and the Shoreline Regional Park Community Fund. These bonds were refinanced and separated during Fiscal Year 2001-02 resulting in the City of Mountain View 2001 Refunding COPs and the Shoreline Regional Park Community 2001 Tax Allocation Refunding Bonds.

Note: Interest payment includes Trustee fees.

TOP TEN PROPERTY TAXPAYERS

Fiscal Year 2002-03
(Dollars in Thousands)

| OWNER | PRIMARY USE | ASSESSED VALUATION | PERCENTAGE OF TOTAL ASSESSED VALUATION |
|----------------------------------|---------------------------|-----------------------|---|
| Legacy Partners Inc. | Unsecured | \$ 248,500 | 2.20% |
| Alza Corporation | Industrial | 188,370 | 1.66% |
| BP Shoreline Technology Park LLC | Industrial | 178,152 | 1.57% |
| Silicon Graphics Inc. | Unsecured | 127,182 | 1.12% |
| Mission West Shoreline LLC | Industrial | 125,000 | 1.10% |
| P & A Charleston Road LLC | Commercial | 113,000 | 1.00% |
| Richard T. Peery | Industrial/ Commercial | 150,724 | 1.33% |
| Shoreline Park LLC | Industrial | 83,742 | 0.74% |
| SL Investments III LLC | Industrial | 71,711 | 0.63% |
| Sun Microsystems, Inc. | Unsecured | 70,109 | 0.62% |
| Subtotal | | <u>\$ 1,356,490</u> | <u>11.97%</u> |

Fiscal Year 2002-2003 Total Net Assessed Valuation \$ 11,329,212,153

Source: Santa Clara County Assessor Fiscal Year 2002-03 Combined Tax Rolls (as of June 2003)

FISCAL YEAR 2003-04 BUDGET REVIEW PROCESS

The budget process begins in November of each fiscal year, when all City departments begin preparation of their budget proposals for the upcoming fiscal year. Budget requests are reviewed by the Budget Review Team (consisting of the Assistant City Manager and the Finance and Administrative Services Director) and City Manager.

The budget is first presented to the City Council in May in the form of a Narrative Budget Report and then formally at public hearings in June. The budget is then adopted at a City Council meeting. This process complies with the procedures required in the City Charter for adoption of the annual budget. The annual City budget must be adopted prior to July 1, the beginning of each fiscal year.

Given the unusual economic circumstances of the current fiscal year and the severity of the budget shortfall projected for fiscal year 2003-04, a study session was held on April 15 for the General Operating Fund to preliminarily discuss the concepts being considered for the Fiscal Year 2003-04 budget.

The table below is a condensed time line for the entire budget process.

| | |
|-------------------|---|
| November | Departments prepare budget proposals for the upcoming fiscal year. |
| December | Departments submit budget requests to the Budget Review Team and the Capital Outlay Committee. |
| December-February | The Capital Outlay Committee meets with departments and reviews the department requests. The City Manager and the Budget Review Team meet with departments, review department budgets and develop recommendations. |
| February | Mid-Year Budget Report presented to City Council. |
| March | City Council annual goal-setting process – Part I. |
| April | Review of the Five-Year Capital Improvement Program. General Operating Fund Budget study session for Fiscal Year 2003-04 budget balancing concepts. Review and approval of the Community Development Block Grant (CDBG) funds. City Council goal setting process – Part II. |
| May | Capital Improvement Program study session and adoption. Special and Utility Funds Budget Report and General Operating Fund (follow-up) study session. Adoption of annual goals. |
| June | Proposed budget and Five-Year Forecast presented to Council, public hearings and final budget adoption. |

FINANCIAL AND BUDGETARY POLICY

Budget Policies:

-The adopted budget shall serve as the annual financial plan for the City. This financial plan shall include the goals and objectives set by the City Council and the level of services determined by the City Council.

-A balanced budget will be adopted annually, whereby operating expenditures shall not exceed operating revenues.

- Performance and workload measures, which reflect the effectiveness, efficiency or workload of departmental operations, will be included in the annual budget.

Revenue & Expenditure Policies:

- The development and maintenance of diversified and reliable revenue streams will be the primary revenue policy of the City. The City will focus its efforts to optimize existing revenue sources while periodically reviewing potential new revenue sources.

- Revenues and expenditures will be forecast for the upcoming budget year and the four subsequent years.

- Revenues and expenditures will be estimated conservatively using information provided by State and other governmental agencies, trending of historical information and other relevant information.

- Fees and charges for services will be evaluated and, if necessary, adjusted annually. The City's objective in setting fees and charges for services is to achieve a reasonable level of cost recovery for services that are not provided to, or do not benefit the community as a whole.

- A good internal control structure assuring that only properly authorized expenditures are made will be maintained.

- Expenditures will be controlled at the fund and department level and will not exceed appropriations without City Council authorization. Appropriations lapse at the end of the fiscal year to the extent that they have not been expended or encumbered.

- Obligations of the City will be recognized when incurred. Encumbrances will be used for outstanding commitments. Encumbrances outstanding at year-end will be carried over to the next fiscal year and are automatically reappropriated for inclusion in the next fiscal year's budget.

Reserve Policies:

- The General Fund Contingency Reserve, with a policy level to be equal to approximately 5 percent of the general operating budget, will be used for City Council approved expenditures not appropriated during the annual budget process and/or to cover unanticipated revenue shortfalls.

FINANCIAL AND BUDGETARY POLICY **(Continued)**

- The General Fund Emergency Reserve, with a policy level to be equal to approximately 10 percent of the general fund operating budget, will be used only in situations of extreme physical or financial emergency and with the approval of the City Council.
- The Revenue Stabilization Reserve shall be established to generate revenue from investment earnings and provide funds for inter-fund loans and advances.
- The Budget Transition Reserve shall be established to strategically position the City to adjust to lower revenues during economically challenging times.
- The Property Management Reserve shall be established to provide a source of funds for obligations which could arise from the City's leasing of property in the North Bayshore Area, including legal, environmental testing or other costs normally incurred by a lessor.
- The Capital Improvement Projects Reserve, with a policy level of a minimum of \$5 million, will be used for the funding of capital improvement projects authorized by the City Council. To the extent possible, General Operating Fund carryovers remaining from the end of the fiscal year, not designated for other reserve purposes, may be applied to this Reserve.
- The Strategic Property Acquisition Reserve shall be established for the purpose of setting aside specific funds to be used for the acquisition of strategic property(ies).
- The Compensated Absences Reserve shall fund the City's obligation for employees' accrued vacation and sick leave.
- The Equipment Replacement Reserve shall be maintained for the replacement of capital equipment.
- The Workers' Compensation Reserve shall be maintained at a level deemed adequate to meet projected liabilities as determined by an actuarial evaluation to be conducted at least once every three years.
- The Liability Self-Insurance Reserve shall be maintained at a minimum level of \$2 million plus an amount to fund incurred claims.
- The Unemployment Self-Insurance Reserve and the Employee Benefits Plan Reserve will be reviewed annually and maintained at a level adequate to meet estimated unemployment and employee benefit liabilities, respectively.
- The Retirees' Health Plan Reserve will be reviewed annually with a funding goal adequate to meet projected liabilities as determined by an actuarial evaluation to be conducted periodically.

FINANCIAL AND BUDGETARY POLICY

(Continued)

- The Water Fund Reserve shall be maintained at a minimum of the following:
 - 1) 10 percent of operating budget for emergency
 - 2) 15 percent of operating budget for contingency and rate stabilization
 - 3) \$2 million for capital improvements
- The Wastewater Fund Reserve shall be maintained at a minimum of the following:
 - 1) 10 percent of operating budget for emergency
 - 2) 15 percent of operating budget for contingency and rate stabilization
 - 3) \$1 million for capital improvements
- The Solid Waste Fund Reserve shall be maintained at a minimum of the following:
 - 1) 10 percent of operating budget for emergency
 - 2) 15 percent of operating budget for contingency and rate stabilization

Capital Improvement Policies:

- A five-year comprehensive Capital Improvement Plan (CIP), identifying proposed major construction projects, capital equipment outlays, land acquisition and other capital improvement expenditures, and providing an analysis of the estimated funding available and necessary to fund these projects, shall be prepared each year and presented to the City Council for approval.
- The plan shall identify all proposed projects to be initiated during the five-year period.
- The first year of the five-year plan shall be appropriated annually. The appropriations for each project are ongoing until project completion, project cancellation or amendment.
- The adopted capital improvement budget shall only include those projects which can reasonably be accomplished or substantially started within the fiscal year.
- Recurring annual projects shall be closed out at the end of the fiscal year or as soon as all related expenditures have been paid.
- Capital projects will be reviewed on an annual basis for amendments or potential closure/cancellation.
- A list of unscheduled projects (projects not included in the five-year period) will be identified in the five-year plan as an indication of potential future projects.
- Future potential ongoing operating costs associated with a project will be identified with the project in the five-year plan.

FINANCIAL AND BUDGETARY POLICY

(Continued)

Cash Management and Investment Policies:

- The City will follow modern cash management practices that require active revenue oversight, prompt collection, deposit and investment of all funds and cash flow management which maximizes the amount of invested cash balanced with the timely payment of obligations.

- The City will invest all funds in accordance with the Investment policy based on the following criteria:

- 1) Safety of investment
- 2) Maintenance of sufficient liquidity to meet cash flow needs
- 3) Attainment of a total rate of return consistent with the requirements of the City's Investment Policy

- The City shall conduct all of its investment activities in accordance with the California Government Code Section 53600 and the City's investment policy.

- The City's investment policy shall be updated as necessary and approved by the City Council on an annual basis. A complete report on the City's investment portfolio shall be presented to the City Council on a regular basis.

- A cash flow analysis shall be prepared on a monthly basis in order to estimate the amount of funds available for investment.

Accounting Policies:

- A financial accounting system adequate to provide management information and meet reporting requirements shall be maintained.

- A system of effective internal controls will be maintained that assures only properly authorized expenditures, recordings of financial transactions and accounting entries are executed.

- The City's financial records will be audited annually by an independent accounting firm as required by the City Charter.

- A Comprehensive Annual Financial Report (CAFR) shall be prepared each year within six months of the close of the previous fiscal year.

- The CAFR shall be prepared in accordance with generally accepted accounting principles applicable to local governments.

FINANCIAL AND BUDGETARY POLICY **(Continued)**

Debt Management Policies:

- Long-term borrowing will be restricted to the funding of capital improvement projects and equipment. The use of long-term borrowing for ongoing operations shall be avoided.
- Debt obligations will be met in a timely and efficient manner.
- The term of the debt shall not exceed the expected useful life of the capital improvement project or equipment.
- The City will comply with all debt covenants.
- The City will not exceed its legal debt margin limit of 15 percent of assessed value of property within the City limits.
- Refunding techniques will be used where appropriate to allow for the restructuring of its current outstanding debt to remove or change restrictive covenants, and/or to reduce annual debt service in an amount sufficient to justify the costs of the refunding/reissuance.

Risk Management Policies:

- The City will maintain an appropriate level of funding or insurance coverage for exposure to risks of financial loss through self-insurance, partial self-insurance, commercial insurance, or pooled insurance, whichever form is the most cost effective in the long term.
- City property shall be appropriately insured or self-insured to cover the City's losses through theft, destruction, fire and other insurable perils.
- All liability-type losses and claims that occur with predictable frequency and which will not have a significant adverse impact on the City's financial position shall be self-insured to an appropriate level. The City shall be insured or self-insured for unemployment insurance and workers' compensation insurance.
- An annual survey shall be made of all insurance and self-insurance to monitor and compare costs.

GLOSSARY

Accounting System - The total structure of records and procedures which identify, record, classify, summarize, and report information on the financial position and results of operations of a government.

Accrual Basis of Accounting - A method of accounting that recognizes the financial effect of transactions, events and interfund activities when they occur, regardless of the timing of related cash flows.

Adjusted Budget - The Adopted Budget plus/minus any mid-year Council action.

Adopted Budget - The final budget document in which formal action is taken by the City Council to set the spending plan for the fiscal year.

Adoption - Formal action by the City Council to accept a document.

Annual Budget - The total budget for a given fiscal year as approved by City Council.

Appropriation - A legislative act authorizing the expenditure of a designated amount of public funds for a specific purpose.

Assessed Valuation - A value established by the County Assessor which approximates fair market value of real or personal property. By state law, one hundred percent of the property value is used for determining the basis for levying property taxes.

Bonds - A written promise to pay a sum of money on a specific date at a specified interest rate.

Budget - A financial plan identifying estimated revenues, planned expenditures and levels of service.

Budget Adjustment - Any change approved by council after the formal adoption of the budget.

Capital Improvement Program (CIP) - Annual appropriations for capital projects such as City buildings, general plan update, park renovations, etc. These projects are usually multi-year, and thus extend beyond the annual budget. The CIPs are supported by a five-year expenditure plan detailing funding sources and expenditure amounts.

Capital Outlay - Expenditures that result in the acquisition of assets with an estimated useful life of more than two years and a unit cost of \$3,000 or more (account classification 56100's).

COLA - Cost of living adjustment.

Contingency - A budgeted reserve set aside for emergency or unanticipated expenditures and revenue shortfalls.

Consumer Price Index (CPI) - A statistical measure of price levels provided by the U.S. Department of Labor signifying the cost of living and economic inflation.

Certificates of Participation (C.O.P.) - Provides long term financing through a lease, installment of sale agreement or loan agreement.

Debt Retirement Costs - Costs associated with the retirement of debt.

Debt Service - The payment of principal and interest on borrowed funds such as bonds.

Debt Service Fund - An account used to track the monies set aside for debt service.

Department - The highest organizational unit which is responsible for managing divisions within a functional area.

Division - An organizational unit that provides a specific service within a department.

Ending Balance - The excess of a fund's accumulation of revenues over its expenditures.

Estimated Revenue - The amount of revenue expected in some period.

Expenditure - The use of financial resources typically spent for goods or services.

Fiscal Year - A 12-month period specified for recording financial transactions. The City of Mountain View's fiscal year starts on July 1 and ends on the following June 30.

Full-Time Equivalent (FTE) - Part-Time and Hourly positions expressed as a fraction of Full-Time Positions (2080 hours per year). Example: 3 positions working 1/2 time equal 1 1/2 FTEs.

Fund - A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

General Fund - Accounts for the operations of the City which are not recorded in other funds.

General Government - A grouping of departments that support those which give direct service to the public.

Goals - A set of criteria to be achieved within a certain time period.

Grant Funds - Monies received from another government such as the State or Federal Government, usually restricted to a specific purpose.

Gross - Amount prior to any deductions.

IFAS - The accounting and budgetary system used by the City of Mountain View.

Infrastructure - A substructure or underlying foundation on which the continuance or growth of a community depends: roads, schools, transportation systems, etc.

Interdepartmental Charges - Charges from one department or fund to another department or fund within the City of Mountain View.

Interfund Expenditure - An expenditure reported in one department or fund that is generated by another department or fund within the governmental entity.

Interfund Transfers - Movement of money from one fund to another within the City of Mountain View.

Intergovernmental Revenue - Grants, entitlements and cost reimbursements from another federal, state or local governmental unit.

Labor Chargeback- An account used to credit salaries and benefits when time is charged to a capital improvement project or another fund or department for services provided.

Maintenance and Operations - Cost of upkeep and running of property or equipment (account classification 55200's).

Materials and Supplies - Expenditures for goods used to support operations (account classification 55100's).

Mission Statement - A broad direction based on the needs of the community. A mission is general and timeless; it is not concerned with a specific achievement in a given time period.

Modified Accrual Basis of Accounting – Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due. [NCGA Statement 1]

Net - Amount after consideration of any adjustments.

Objective - Something aimed at or strived for.

Operating Budget - Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing acquisition, spending and service delivery activities of a government are controlled.

Other Expenses - All expenditures not recorded in other major account classifications (account classification 55500's).

Other Fund - A fund which accounts for resources that are legally restricted to expenditures for specific operational purposes.

Overhire Position - A position created for temporary use above the approved budgeted number of positions. This is used as an overlap when someone is retiring, out on disability, etc.

Performance/Workload Measures - Number or percentage of work category completed or performed. The performance/workload measures provide an indicator of the amount of work performed or measures the quality of effectiveness of work performed by a department or program from year to year.

PERS - Public Employees Retirement System.

Personnel Services - Salaries and benefits paid to City employees (account classification 54100-54300's).

Position Classification - Includes job titles, job grades, and job families for an overall job level.

Professional/Technical Services - Expertise purchased from external sources (account classification 55400's).

Property Tax Apportionment - The allotment of direct taxes on the basis of population.

Proposed Budget - The initial spending plan for the fiscal year presented to the City Council before adoption.

Proposition 4/GANN Initiative Limit - The City is required, under Article XIII B of the State Constitution, to limit appropriations from proceeds of taxes. The annual appropriation limit is based on data received from the State, including various growth measures such as population, CPI, and non-residential construction changes.

Reserves - An account classification used to indicate that a portion of fund resources is not available for appropriation and subsequent spending.

Revenue Enhancements - Any action that increases current revenue sources or creates new ones.

Section 1103 of City Charter - Mandates that the City Manager will send a careful estimate, in writing detailing the amount of expenditures required to ensure the proper conduct of business at all levels the City Manager has control of, and an estimate of incomes expected.

Secured Debt - Debt guaranteed by the pledge of assets or other collateral.

Services to Other Departments - Includes interdepartmental charges and credits received for work performed for another department or fund (account classification 54100).

Significant Changes - Any change resulting in an increase in the budget of more than the expense guidelines provided by the City Manager. The expense guideline for Fiscal Year 2003-04 is a 0% increase over Fiscal Year 2002-03.

Taxes - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

Unsecured Debt - Obligation not backed by the pledge of specific collateral.

Utilities - A public service such as gas, electricity, or water. Also used to account for expenditures for services such as gas, electricity, water, refuse collection, etc. (account classification 55300's).

Utility Rolls - Utility property assessed by the State Board of Equalization.

NOTES

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